



## Fairtrade ANZ Impartiality Policy

### Introduction

#### 1. Objective and purpose of the Impartiality Policy

Fairtrade Australia & New Zealand (Fairtrade ANZ) seeks to maintain its reputation as a not-for-profit company delivering high quality professional services. This Policy is designed to ensure that all licensing and certification activities shall be undertaken impartially.

Fairtrade ANZ top management and its employees, volunteers, and contractors understand the importance of impartiality and the consideration of any potential conflict of interests in carrying out its licensing and certification activities. This policy illustrates good behavioral practices for the benefit of both Fairtrade ANZ and our contracted auditors. The overall aim of this policy is to give confidence to all parties.

### Impartiality risks

Fairtrade ANZ is responsible for the impartiality of its certification activities and shall not allow commercial, financial or other pressures to compromise impartiality.

Impartiality risks arise from Fairtrade ANZ its activities, from its relationships, or from the relationships of its personnel. However, such relationships may not necessarily present a certification body with a risk to impartiality. A relationship presenting a risk to impartiality of the certification body can be based on ownership, governance, management, personnel, shared resources, finances, contracts, marketing (including branding), and payment of a sales commission or other inducement for the referral of new clients, etc.

Threats to impartiality are sources of potential bias that may compromise, or may reasonably be expected to compromise the ability to make unbiased observations and conclusions. Threats to impartiality include, but are not limited to, the following:

- a) self-interest: arising from a person or body acting in its own interest to benefit itself;
- b) self-review: arising from reviewing the work done by themselves;
- c) subjectivity: arising when personal bias overrules objective evidence;
- d) familiarity: arising from a person being familiar with or trusting of another person, Such a threat is present if Auditors are not sufficiently skeptical of a person's assertions and as a result, too readily accepts their viewpoint because of their familiarity with or trust in the person;
- e) intimidation: preventing a certification body or its personnel from acting objectively due to fear of a candidate or other interested party;
- f) Financial: the source of revenue can be a threat to impartiality.

### Identified risk

Fairtrade ANZ identified a risk arising from the combination of licensing and certification activities. Fairtrade ANZ aims to inspire confidence in its licensing and certification processes to its clients and the public at large by:

- a) being impartial;
- b) employing competent personnel;
- c) being responsive to complaints;
- d) providing access to relevant information gathered;
- e) fairness;
- f) transparency of processes; and
- g) maintaining confidentiality

To ensure that all certification personnel (either internal or external) or committees who could influence the certification activities shall act impartially, Fairtrade ANZ has implemented:

- Standard Operating Procedures in place which separate licensing from certification activities.
- Specific job descriptions for certification staff
- Separate agreements for licensing and certification services provided to clients
- Separate certification and licensing income, to secure an independent certification budget
- Separate IT systems to manage the certification workflow

## Quality controls

Fairtrade ANZ will identify and assess risks which may result in a conflict of interest or pose a threat to impartiality.

Impartiality is protected by placing it within an organizational structure, which will guarantee that the safeguards required are implemented. Conflict of interest and objectivity is addressed through standard operating procedures and binding agreements to ensure that all activities undertaken throughout the licensing or certification process are conducted in an objective, independent and impartial manner. Licensing and certification of companies and products is based on objective evidence obtained through a fair, valid and reliable assessment, and is not influenced by other interests or other parties. The main principles for inspiring confidence are independence, impartiality and competence both in action and appearance.

Fairtrade ANZ and any part of the same legal entity and entities under its organizational control, shall not:

- a) be the designer, manufacturer, installer, distributor or maintainer of the certified product;
- b) be the designer, implementer, operator or maintainer of the certified process;
- c) be the designer, implementer, provider or maintainer of the certified service;
- d) offer or provide consultancy (see definition 3.2) to its clients;
- e) offer or provide management system consultancy or internal auditing to its clients where the certification scheme requires the evaluation of the client's management system.
- f) Market or offer activities as linked with the activities of an organization that provides consultancy.
- g) Use personal for minimum 2 years to review or make a certification decision for a product for which they have provided consultancy.

When the separate legal entity offers or produces the certified product (including products to be certified) or offers or provides consultancy, Fairtrade ANZ management personnel and personnel in the review and certification decision-making process shall not be involved in the activities of the separate legal entity. The personnel of the separate legal entity shall not be involved in the management of the certification body, the review, or the certification decision.

## Continual review

Fairtrade ANZ shall identify risks to its impartiality on an ongoing basis and a register of identified risks shall be kept.

The impartiality risks will be assessed periodically to enhance its delivery of impartial certification activities. This review will be performed by the Chief Executive Officer or an appropriate appointee. The organization will consider what actions it may need to take to address any deficiencies identified in the review.

Fairtrade International's Oversight Committee with the application of the oversight procedures is the mechanism Fairtrade ANZ refers to for safeguarding its impartiality.

#### **Corrective action**

Fairtrade ANZ shall take action to respond to any risks to its impartiality, arising from the actions of other persons, bodies or organizations, of which it becomes aware.

If a risk to impartiality is identified, the certification body shall be able to demonstrate how it eliminates or minimizes such risk.

Certification activities shall be structured and managed so as to safeguard impartiality.